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T.R.A. DOCKET ROOM

January 24, 2005

Honorable Pat Miller  
Chairman, Tennessee Regulatory Authority  
460 James Robertson Parkway  
Nashville, TN 37243-0505

Re: *Addendum to Application of Madison River Communications, LLC to  
Transfer Ownership and Control; Docket No. 05-00012*

Dear Chairman Miller:

Please find enclosed for filing the original and thirteen copies of an Addendum to the petition of Madison River Communications, LLC to transfer ownership and control. The purpose of the Addendum is to add another Tennessee-certificated company to the petition because the ultimate parent of both Madison River Communications, LLC and Gulf Long Distance, Inc. is undergoing a corporate reorganization.

If you have any questions concerning this filing, please feel free to call me.

Very truly yours,

BOULT, CUMMINGS, CONNERS & BERRY, PLC

By:

April A. Ingram

AAI/djc  
Enclosure  
cc: Mike Skrivan  
Matt Springer

**BEFORE THE TENNESSEE REGULATORY AUTHORITY  
NASHVILLE, TENNESSEE**

Petition for Authority to Transfer Ownership and Control   )  
of Madison River Communications, LLC                               ) Docket No. 05-00012  
Pursuant to a Corporate Restructuring                               )

**ADDENDUM**

A Petition for Approval of a transfer of ownership and control of Madison River Communications, LLC ("TN-CLEC") was filed January 11, 2005. The entity known as Gulf Long Distance, Inc.<sup>1</sup> will have its ownership and control changed pursuant to the very same corporate restructuring and Initial Public Offering affecting ultimate control of TN-CLEC. We respectfully request consideration in this same docket for petitions on behalf of both companies affected by the pending corporate restructuring.

Gulf Long Distance, Inc. is currently certificated as a reseller of long distance services in Tennessee. It is today owned and controlled by Gulf Coast Services, Inc., which is in turn owned and controlled by Madison River LTD Funding Corp., which is owned by Madison River Holdings Corporation, which is owned by Madison River Capital, LLC, which in turn, is a wholly-owned subsidiary of Madison River Telephone Company, LLC, as shown in Figure 3. Affiliates or funds of three widely-held investment firms presently hold most of the equity interest in Madison River Telephone Company, LLC. Currently, each investment firm appoints two board members, management appoints another two board members, and there are three

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<sup>1</sup> See Docket No. 95-02356, in which reseller authority was granted by the Tennessee Regulatory Authority.

independent board members (11 board members total), but all board approvals require the concurrence of two of the three investment firms rather than a simple majority of the board.

Thus, under the current structure, control vests broadly among the shareholders.

A new holding company named Madison River Communications Corp. is being formed through offering sale of shares to the public, and it will become the ultimate parent of Gulf Long Distance, Inc. The corporate restructuring will result in the organization depicted in Figure 4. The post-IPO board will consist of no more than 11 members and the three investment firms will retain the right to appoint up to two board members each, depending on the actual ownership interest after the IPO. After the IPO, however, it is expected that new public equity shareholders, rather than the three investment firms, will have majority of control of Madison River Communications Corp. which will acquire the interests of Madison River Telephone Company, LLC. Thus, after the reorganization, control of the company will vest even more broadly since it will be among a larger base of shareholders.

The newly formed holding company Madison River Communications Corp. has filed its Form S-1 Registration Statement with the United States Securities and Exchange Commission on December 23, 2004. Subject to final SEC approval, the company plans to commence its IPO on or before February 28, 2005, and all necessary regulatory approvals must be obtained by that date. We are thus asking for expedited treatment of this Petition for Approval.

Throughout the restructuring process and after the consummation of the transactions described herein, Gulf Long Distance, Inc. will continue to provide the same services at the same rates in an uninterrupted manner. The reorganization will be transparent to consumers. In support of this Petition, the parties provide the following information:

## **I. THE PARTIES TO THE TRANSACTION**

Madison River Communications Corp. will be headquartered at:

103 South Fifth Street  
P.O. Box 430  
Mebane, NC 27302

## **II. DESIGNATED CONTACTS**

The designated contacts for questions concerning this Addendum are:

Michael T. Skrivan, Vice President – Revenues  
Madison River Communications, LLC  
103 South Fifth Street  
Post Office Box 430  
Mebane, NC 27302  
Telephone: (919) 563-8230  
Fax: (919) 563-4993

and

April A. Ingram, Esq.  
BOULT, CUMMINGS, CONNERS & BERRY, PLC  
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## **III. PUBLIC INTEREST ANALYSIS**

This transaction does not involve any transfer of authorizations or change in carriers providing service to customers or any change in the rates, terms or conditions of service. Thus, the transfer of control of Gulf Long Distance, Inc. will be transparent to customers and will not have any adverse impact on them. The only change is in the indirect ownership of Gulf Long Distance, Inc.

WHEREFORE, Gulf Long Distance, Inc. and its ultimate parent, Madison River Telephone Company, LLC, respectfully request that the Authority approve the transfer of ownership and control of the company to Madison River Communications Corp. as described herein, and grant such other and further relief as it deems necessary to carry out the transaction described above.

Respectfully submitted,



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April A. Ingram  
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Attorney for Gulf Long Distance, Inc.

Dated: January 24, 2005

Madison River Telephone Company, LLC  
Pre-IPO Organization Chart

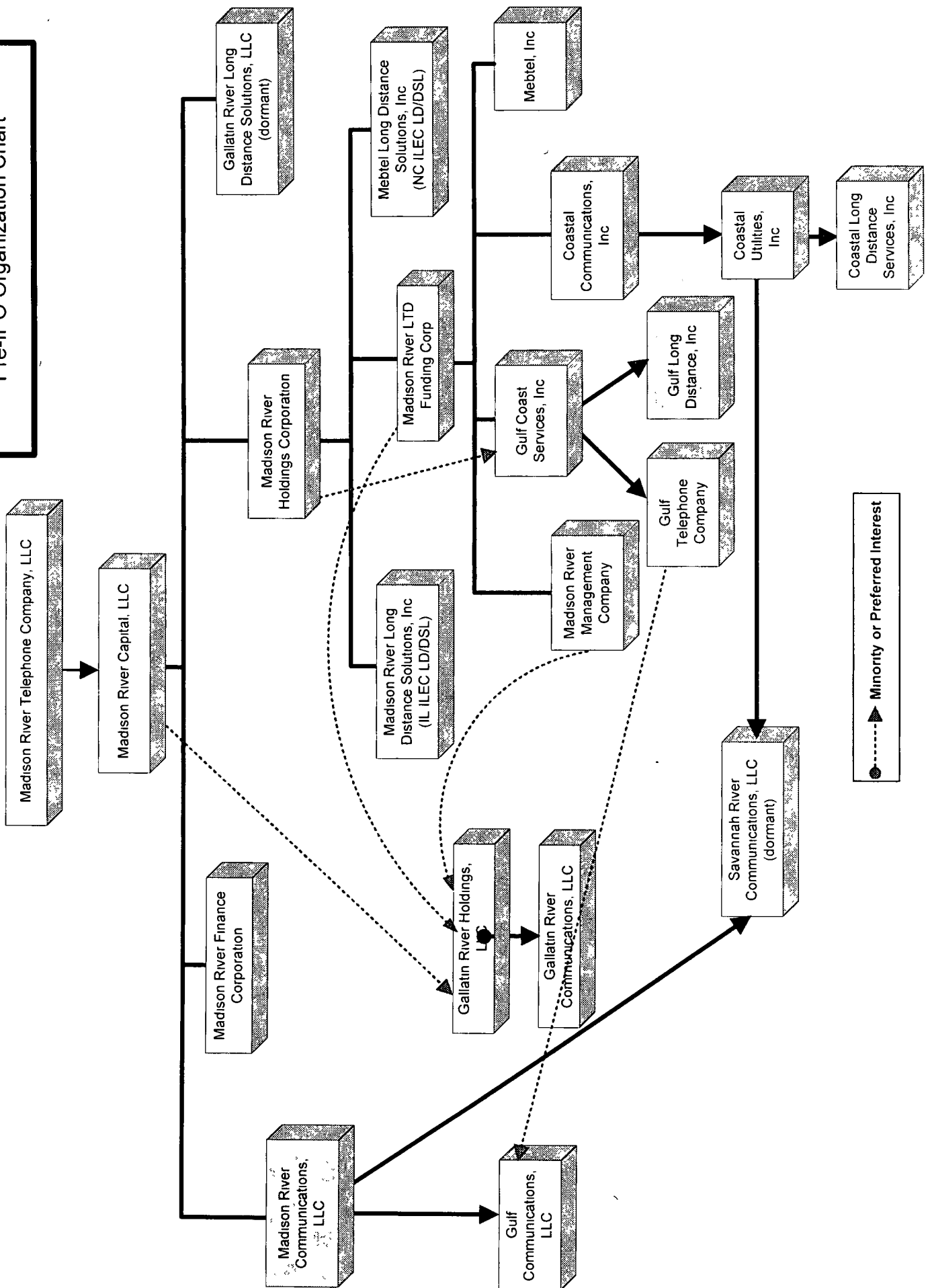


FIGURE 3

## Madison River Communications Corp Post-IPO Organization Chart

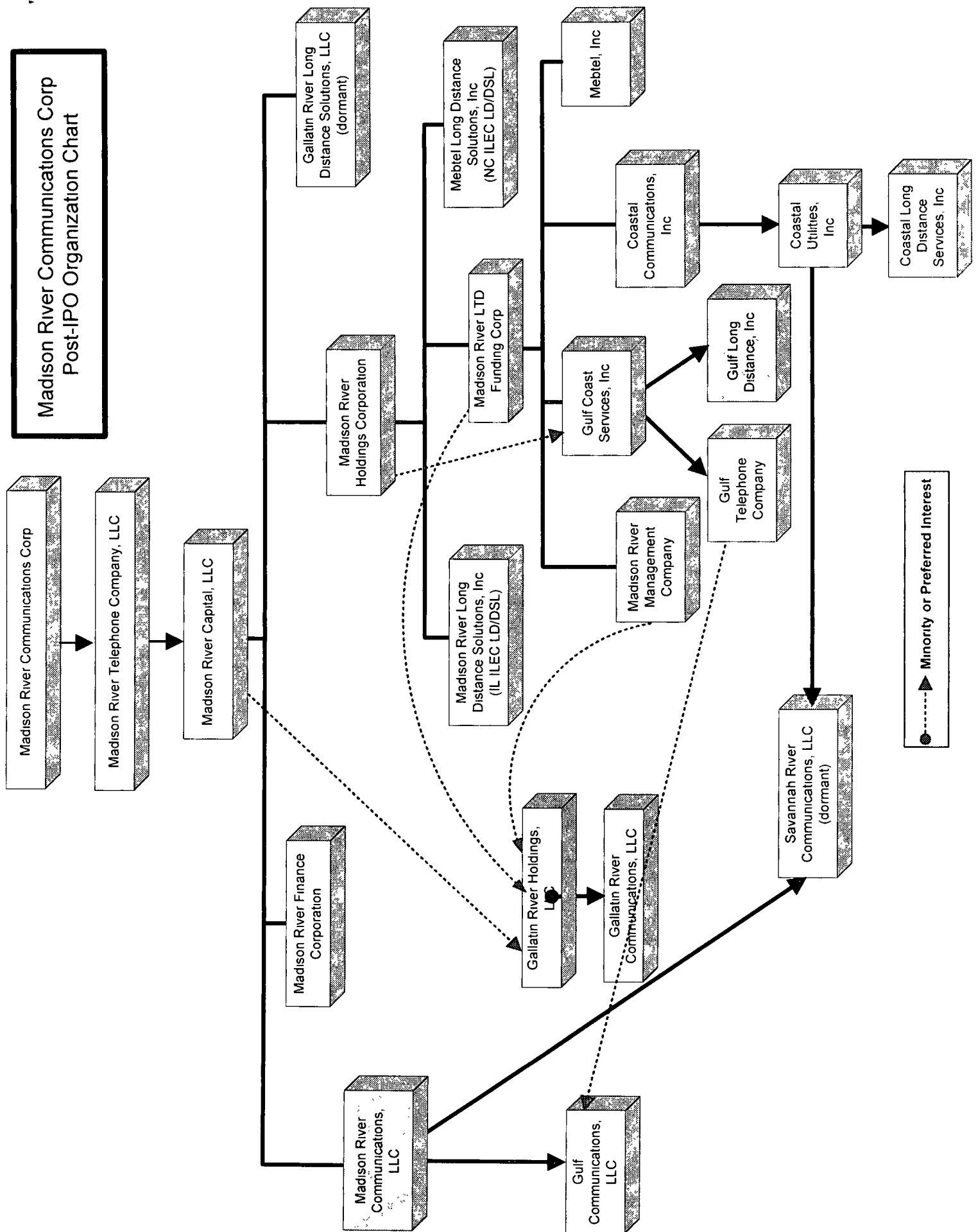


FIGURE 4